

Message Text

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R 140428Z NOV 74

FM AMEMBASSY KATHMANDU

TO SECSTATE WASHDC 9981

INFO AMEMBASSY NEW DELHI

USMISSION GENEVA

S E C R E T SECTION 1 OF 3 KATHMANDU 4661

NEW DELHI FOR DEA

NO FOREIGN DISSEMINATION

E.O. 11652: GDS

TAGS: SNAR, NP, IN

SUBJECT: NARCOTICS COUNTRY ASSESSMENT FOR NEPAL

REF: STATE 240551

1. FOLLOWING REVIEW BY MISSION NARCOTICS COMMITTEE OF COUNTRY ASSESSMENT FOR NEPAL CONTAINED REFTTEL, EMBASSY IS SUBMITTING REVISED TEXT WHICH TAKES INTO ACCOUNT VIEWS AND SUGGESTED MODIFICATIONS MADE BY COMMITTEE MEMBERS. CHANGES HAVE BEEN MADE TO REFLECT MORE FULLY THE PROGRESS THAT HAS BEEN ACHIEVED BY NEPAL IN ITS NARCOTICS CONTROL EFFORTS. IN PARTICULAR REVISED DRAFT POINTS OUT THAT GROWTH OF CULTIVATED CANNABIS IS NOT LEGAL IN NEPAL. GON HAS CANCELLED LICENSES PREVIOUSLY ENTITLING FARMERS TO CULTIVATE CANNABIS. SIMILARLY, LICENSES PERMITTING SALE OF CANNABIS PRODUCTS HAVE BEEN CANCELLED. COMMITTEE ALSO THOUGHT IT WAS IMPORTANT TO NOTE THAT GON HAS INDICATED INTEREST IN ENHANCING ITS ENFORCEMENT CAPABILITIES BY SENDING POLICE OFFICERS TO U.S. FOR POLICE MANAGEMENT AND NARCOTICS TRAINING, AND BY EXPRESSING INTEREST IN CUSTOMS

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TRAINING PROGRAM WHICH WOULD BETTER ENABLE GON TO CONTROL ITS

BORDER AREAS. THERE IS ALSO SOME CONFUSION OVER FIGURES USED IN REFTTEL TO REPRESENT LOSS TO GOVERNMENT AS RESULT OF BAN ON HEMP CULTIVATION. FIGURE OF \$6.5 MILLION REFERS TO LOSS INCURRED BY TRADERS OF GANJA, NOT TO LOSS IN GOVERNMENT REVENUES FROM LICENSING, WHICH IS ESTIMATED AT \$670,000. FINALLY, WE HAVE CHANGED EMPHASIS OF SECTION DEALING WITH LEGISLATION TO INDICATE THAT THERE ARE THOSE IN GON WHO SUPPORT NEED FOR EFFECTIVE LEGISLATION, BUT AT SAME TIME ARE CONCERNED ABOUT IMPACT ON FARMERS. THEIR ATTITUDE IS NOT ONE OF INSISTING ON FOREIGN ASSISTANCE AS ESSENTIAL QUID PRO QUO FOR DESIRED LEGISLATION, BUT RATHER ONE OF DESIRE TO DEVISE MEASURES, NOT NECESSARILY CROP SUBSTITUTION, TO MITIGATE IMPACT ON THOSE THAT WOULD BE MOST SERIOUSLY AFFECTED BY LEGISLATION. GON IS NOW ENGAGED IN STUDIES TO DETERMINE MOST APPROPRIATE MEANS FOR PROVIDING NECESSARY ASSISTANCE. EMBASSY REPRESENTATIVE AT NEW DELHI REGIONAL NARCOTICS CONFERENCE WILL BE PREPARED TO DISCUSS REVISIONS PROPOSED IN FOLLOWING TEXT:

2. BEGIN TEXT: SIGNIFICANCE: NEPAL IS NOT AN OPIUM PRODUCER ALTHOUGH VERY SMALL QUANTITIES OF OPIUM POPPIES MAY GROW WILD IN THE HILL AREAS OF WESTERN NEPAL. THE VERY REAL NARCOTICS PROBLEM IN NEPAL HAS STEMMED FROM THE SUBSTANTIAL GROWTH OF CANNABIS, WHICH IS THE SOURCE OF HASHISH AND A HIGHLY CONCENTRATED HASHISH OIL. WHILE MUCH CANNABIS GROWS WILD IN NEPAL THERE HAS BEEN SUBSTANTIAL CULTIVATION OF GANJA, WHICH IS CONTROLLED BY GOVERNMENT LICENSING. THE CULTIVATION OF GANJA HAS, HOWEVER, BEEN BANNED SINCE JULY 1973, FOLLOWING A GOVERNMENT DECISION NOT TO RENEW LICENSES. SOME NEPALI HASHISH IS CONSUMED IN NEPAL BOTH BY NEPALESE FOR USE IN RELIGIOUS FESTIVALS AND BY THE FOREIGN HIPPIE COMMUNITY, MANY OF WHOM HAVE BEEN ATTRACTED TO NEPAL BECAUSE OF THE AVAILABILITY OF DRUGS. THE SIZE OF THIS FOREIGN COMMUNITY HAS, HOWEVER, DIMINISHED CONSIDERABLY OVER THE LAST YEAR, REFLECTING THE GOVERNMENT'S DECISION TO TIGHTEN UP ON DRUG CONTROL.

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IN ADDITION TO THE BAN ON CULTIVATION THE GOVERNMENT HAS TAKEN ACTION TO PROHIBIT THE SALE OF DRUGS IN KATHMANDU'S HASHISH SHOPS BY CANCELING ALL LICENSES PERMITTING SUCH COMMERCE. MUCH OF THE HASHISH THAT IS NOT CONSUMED IN NEPAL IS SMUGGLED ACROSS THE 500-MILE OPEN BORDER INTO INDIA WHERE SOME OF IT IS CONSUMED, AND SOME SENT ON TO BUYERS IN THE UNITED STATES AND EUROPE. SOME HASHISH ALSO LEAVES NEPAL DIRECTLY, CONCEALED IN COMMERCIAL SHIPMENTS FOR FOREIGN MARKETS. THERE ARE NO RELIABLE STATISTICS EITHER ON CULTIVATION OR TRAFFICKING IN NEPAL. ILLICIT TRAFFIC BOTH IN HASHISH AND IN PROCESSED HASHISH OIL IS BELIEVED TO BE INCREASING, BUT WHILE THERE HAVE BEEN SOME MAJOR SEIZURES IN FOREIGN MARKETS OF DRUGS ORIGINATING IN NEPAL, THERE IS NOT YET SUFFICIENT INFORMATION TO QUANTIFY ACCURATELY THE MOVEMENT OF DRUGS FROM NEPAL TO INTERNATIONAL MARKETS. WHILE THE GOVERNMENT ONLY RECENTLY HAS TAKEN ACTION TO PROHIBIT THE CULTIVATION AND SALE OF CANNABIS, THE EXPORT OF CANNABIS PRODUCTS HAS BEEN BANNED FOR SEVERAL YEARS. ANY REALISTIC REGULATORY PROGRAM WOULD HOWEVER REQUIRE THE DEVELOPMENT OF AN EFFICIENT AND TRAINED STAFF OF POLICE AND CUSTOMS OFFICIALS TO FORM THE CORE OF NEPALI NARCOTICS CONTROL ORGANIZATION AND A JOINT EFFORT BY NEPAL AND INDIA. SOME PROGRESS ALONG THESE LINES HAS ALREADY TAKEN PLACE AS THE NEPALESE GOVERNMENT HAS SENT SEVERAL POLICE OFFICERS TO THE U.S. FOR TRAINING IN NARCOTICS CONTROL PROCEDURES. THE CUSTOMS DEPARTMENT HAS RECENTLY MADE KNOWN ITS INTEREST IN
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OBTAINING TECHNICAL ASSISTANCE TO IMPROVE ITS REGULATORY CAPABILITIES. WITH REGARD TO COOPERATION WITH INDIA, THE GOI MAY NOT LOOK WITH DISFAVOR ON THE CONTINUANCE OF GANJA PRODUCTION IN NEPAL, AS THE AVAILABILITY OF CERTAIN NARCOTICS IN INDIA CAN THUS BE ATTRIBUTED TO NEPALESE SOURCES RATHER THAN TO VIOLATIONS OF INDIA'S OWN COMMITMENTS UNDER ITS NARCOTICS CONTROL REGULATIONS. NONETHELESS WE ARE NOT AWARE THAT INDIA HAS DONE ANYTHING IN A NEGATIVE SENSE TO IMPEDE NARCOTICS CONTROL EFFORTS IN NEPAL.

3. PROBLEM: APPROXIMATELY 34,000 NEPALESE FARMERS IN THE AREA BORDERING INDIA ARE REPORTED TO BE ENGAGED IN CULTIVATION OF THE INDIAN HEMP PLANT FROM WHICH THE LOCAL VARIETY OF HASHISH

OR MARIJUANA IS PRODUCED. OTHERS IN THE WESTERN HILL COUNTRY WHERE CANNABIS GROWS WILD HARVEST HEMP. STUDIES CONDUCTED BY THE GOVERNMENT HAVE PLACED THE EARNINGS OF GANJA TRADERS AT APPROXIMATELY \$6.5 MILLION. THERE IS NO ESTIMATE OF THE VALUE OF THE TOTAL GANJA CROP IN NEPAL. GOVERNMENT REVENUES PREVIOUSLY OBTAINED FROM THE LICENSING OF CANNABIS CULTIVATION APPROXIMATED \$670,000. THE MAIN PROBLEM IN NEPAL IS THE LACK OF BASIC NARCOTICS CONTROL LEGISLATION ON WHICH A VIABLE NARCOTICS CONTROL EFFORT COULD BE BASED. A BILL, PATTERNED AFTER A UN DRAFT, WAS INTRODUCED IN THE NATIONAL ASSEMBLY (THE RASTRIYA PANCHAYAT) IN AUGUST 1974, BUT THE ASSEMBLY ADJOURNED WITHOUT HAVING PASSED IT. WHILE CONTAINING PROVISIONS TO PHASE OUT PRODUCTION OF HASHISH FROM NATURAL WILD GANJA, THE BILL WOULD HAVE BANNED THE CULTIVATION OF THE INDIAN HEMP PLANT AS WELL AS THE OPIUM POPPY, THE COCAS PLANT, AND THE MANUFACTURE OF PSYCHOTROPIC SUBSTANCES. THE BILL RAN INTO IMMEDIATE OPPOSITION, ESPECIALLY FROM THE REPRESENTATIVES OF THE POOR SECTION OF THE COUNTRY WHERE THE CULTIVATION OF HEMP AND THE PRODUCTION OF GANJA IS A MAJOR SOURCE OF INCOME. THE HEMP PLANT FIBER IS ALSO USED IN CLOTHES, RUGS, BAGS, AND MEDICINE. EMPHASIS OF THE BILL IS ON THE PREVENTION OF TRAFFICKING, THROUGH THE IMPOSITION OF SEVERE PENALTIES. WIDE AUTHORITY IS PROVIDED FOR LAW ENFORCEMENT RELATED TO NARCOTICS WITH POLICE BEING PERMITTED TO ENTER AND SEARCH, SEIZE AND ARREST IN ORDER TO CARRY OUT THE INTENT OF THE LAW. A SEPARATE SECTION PROVIDING FOR FINES AND IMPRISONMENT IF THIS AUTHORITY IS ABUSED COULD HOWEVER ACT AS A DETERRENT TO EFFECTIVE POLICE WORK. ALTHOUGH THE PROPOSED LEGISLATION HAD SOME LOOPHOLES,

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IT WOULD HAVE OFFERED AN IMPORTANT JURIDICIAL BASIS FOR THE FUTURE DEVELOPMENT OF NARCOTICS CONTROL IN NEPAL, AND THE GOVERNMENT HAS ASSURED US THAT A REDRAFT OF THE BILL WILL BE INTRODUCED IN THE NEXT SESSION OF THE ASSEMBLY. NEVERTHELESS THERE IS STRONG PRESSURE WITHIN THE GOVERNMENT NOT TO BAN THE CULTIVATION OF HEMP UNTIL SOME MEANS IS FOUND TO EASE THE RESULTANT ECONOMIC HARDSHIP ON THE FARMERS. SOME NEPALESE OFFICIALS REGARD THE QUESTION OF NARCOTICS CONTROL AS A QUESTION OF THE COUNTRY'S INTERNATIONAL OBLIGATIONS, BUT EVEN THEY FEEL THAT FURTHER ACTION MUST BE ACCOMPANIED BY SOME FORM OF ASSISTANCE TO MITIGATE THE IMPACT ON FARMERS FOR WHOM CANNABIS IS AN IMPORTANT CROP. YET ANOTHER PROBLEM FACED BY THE DRAFT NARCOTICS CONTROL LEGISLATION IS THE ALLEGED INVOLVEMENT IN DRUG TRAFFICKING OF HIGH LEVEL NEPALESE GOVERNMENT OFFICIALS, SOME CLOSE TO THE ROYAL FAMILY. THERE ARE EVEN RUMORS THAT THE ROYAL FAMILY ITSELF IS, OR AT LEAST HAS BEEN, INVOLVED. (PRECEDING TWO SENTENCES SHOULD BE REGARDED AS HIGHLY SENSITIVE AND GIVEN APPROPRIATE PROTECTION.)

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4. ASSESSMENT: THE GOVERNMENT OF NEPAL, INCLUDING KING BIRENDRA, CONTINUES TO AFFIRM ITS COMMITMENT TO EARLY PASSAGE OF THE BASIC NARCOTICS CONTROL LEGISLATION, IT IS OUR UNDERSTANDING THAT HIS MAJESTY'S GOVERNMENT INTENDS TO PRESENT THE BILL TO THE NEXT SESSION OF THE NATIONAL PANCHAYAT, PERHAPS AFTER SOME REDRAFTING. CHANCES FOR PASSAGE WILL DEPEND TO A LARGE EXTENT ON THE GOVERNMENT'S ABILITY TO RESPOND TO CONCERN OVER THE NEED TO FIND SOME MEANS OF ASSISTING THOSE MOST SERIOUSLY AFFECTED BY THE LEGISLATION. THE KING IS REPORTED TO BE GENUINELY CONCERNED OVER THE IMPACT OF NARCOTICS LEGISLATION ON HIS PEOPLE IN THE AFFECTED AREAS. THIS CONCERN MAY LAST UNTIL SUBSTANTIVE PROGRESS IS MADE TOWARD FINDING SUBSTITUTE CROPS IN THE TERAJ AND SUBSTITUTE EMPLOYMENT AND SOURCE OF CASH INCOME FOR OTHERS, PARTICULARLY IN HILL AREAS, ADVERSELY AFFECTED BY THE PROPOSED LEGISLATION. THE GOVERNMENT IS NOW CARRYING OUT STUDIES TO DETERMINE THE BEST MEANS OF ASSISTING THE FARMERS. IN THIS CONNECTION CROP SUBSTITUTION MAY NOT BE THE APPROPRIATE ANSWER, AS FARMERS IN THE TERAJ REGION ALREADY HAVE THE NECESSARY INPUTS TO CULTIVATE ALTERNATE CROPS IF THEY SO DESIRE, AND AS CANNABIS GROWS WILD IN THE WESTERN HILL AREAS OF NEPAL AND HENCE CANNOT BY DEFINITION BE SUBSTITUTED.

5. ALTHOUGH NEPALESE OFFICIALS WANT THE COUNTRY TO BE REGARDED AS A RESPONSIBLE MEMBER OF THE INTERNATIONAL COMMUNITY, THEY

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DO NOT WANT TO ACCEPT COMMITMENTS THAT WOULD BE UNDULY PAINFUL OR IMPOSSIBLE TO FULFILL. AS A BUFFER STATE BETWEEN TWO LARGE COUNTRIES -- INDIA AND CHINA -- NEPAL HAS TRADITIONALLY DEVELOPED AN ELABORATE SYSTEM OF RESPONSES TO FOREIGN PRESSURE DESIGNED TO GIVE THE APPEARANCE OF COMPLYING WHILE AVOIDING ANY SUBSTANTIAL CONCESSION. WITH REGARD TO NARCOTICS LEGISLATION, HOWEVER, THERE ARE MANY NEPALESE WHO REALIZE THE NEED FOR EFFECTIVE ACTION AND WHO OPPOSE THE PASSAGE OF LEGISLATION WHICH WOULD BE SO RIDDEN

WITH LOOPHOLES AS TO BE MEANINGLESS. WHILE WE HAVE LITTLE DOUBT THAT THE GON WISHES TO TAKE EFFECTIVE STEPS TO CONTROL TRAFFICKING, IT IS ALSO IMPORTANT TO RECOGNIZE THAT FOREIGN REPRESENTATIVES SHOULD MOVE WITH CAUTION, FINESSE, AND AN UNDERSTANDING OF NEPAL'S PERCEPTION OF THE INTERNATIONAL NARCOTICS PROBLEM. ANY ACTION WHICH THE GON MIGHT VIEW AS UNDUE PRESSURE WOULD SWING CONSIDERABLE SENTIMENT TO THE SIDE OF THOSE OPPOSED TO LEGISLATION. IN THIS RESPECT THERE HAVE ALREADY BEEN CHARGES THAT NEPAL IS BEING FORCED TO ACT ON NARCOTICS BECAUSE OF THE INTEREST OF FOREIGN GOVERNMENTS, INCLUDING THE UNITED STATES, WHO IT IS SAID DO NOT UNDERSTAND NEPAL'S PROBLEMS. OUR POLICY IN NEPAL HAS BEEN TO MUTE THIS CRITICISM BY KEEPING A LOW PROFILE AND ALLOWING THE UN TO BE THE MAIN FOCUS FOR NARCOTICS CONTROL ACTIVITIES IN NEPAL. WE BELIEVE IT IS IN OUR BEST INTERESTS TO CONTINUE THIS POLICY. END TEXT
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DRUG ABUSE, DRUG CONTROL, PROGRAMS (PROJECTS), CENTRAL GOVERNMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 14 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974KATHMA04661
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740328-0386
From: KATHMANDU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741144/aaaablbh.tel
Line Count: 306
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: STATE 240551
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2002 by rowelle0>; APPROVED <18 MAR 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NARCOTICS COUNTRY ASSESSMENT FOR NEPAL
TAGS: SNAR, NP
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005